

SPECIAL ECONOMIC ZONES IN SOUTH AFRICA

SEZs FOCUSING ON PLATINUM GROUP METALS AND RELATED



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Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



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INTRODUCTION

- Purpose of Special Economic Zones
- Support measures in Special Economic Zones
- Platinum Group Metals – based SEZs in South Africa
- Key value chains – Platinum Group Metals –based SEZs
- Other investment opportunities
- Other Industrial Development Zones in South Africa



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PURPOSE OF SPECIAL ECONOMIC ZONES (1)

- Overall goal is to support the implementation of South Africa's industrial development programme:
 - Development of targeted industrial capabilities
 - Local beneficiation of minerals and other primary commodities
 - Development of additional regional industrial hubs
- Provide a dedicated support package to **targeted foreign and domestic investments** located in designated areas and whose business activities are within prioritised economic and industrial sectors



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SUPPORT MEASURES FOR QUALIFYING INVESTMENTS SPECIAL ECONOMIC ZONES

▪ Tax Incentives

- 15% corporate tax incentives for investors in SEZs
- Building Tax Allowance
- Accelerated 12i Tax Allowance
- Employment Tax Incentive
- VAT exemption and Duty Free

▪ Other Incentives

- Infrastructure support – provision of world-class industrial infrastructure via SEZ Operators
- Location – close proximity to a large African market

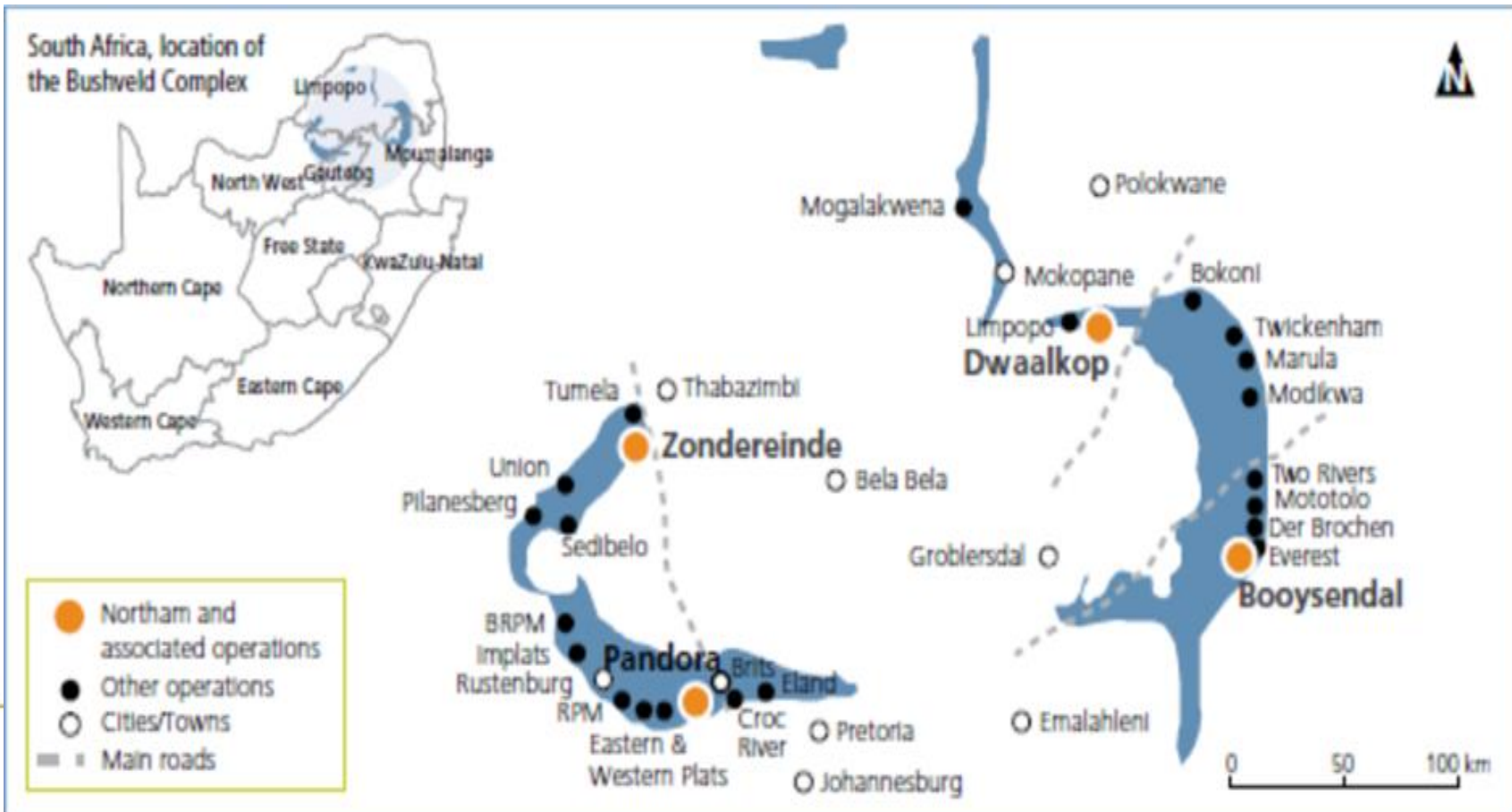


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PROPOSED PLATINUM GROUP METAL HUBS

Map 1: Bushveld Complex in South Africa



KEY VALUE CHAINS: PGM-BASED SEZs

Chemicals

- Catalyst in speciality silicones
- PGM wire gauze – used for Nitric acid production which is used for mining explosives and fertiliser

Electronics

- Hard disks, chips, capacitors, integrated circuits, plating of connectors

Mining Inputs Value Chain

- Drilling & Blasting equipment
- Yellow goods
- Valves, Pumps
- ConveyorsNG

Crucibles

- Solid state lasers for medical purposes
- Industrial Laser welding and cutting
- LED's
- Surface acoustic wave filters

Glass

- Glass fibre
- Glass production process
- Solar Photovoltaic panels

Medical

- Platinum based drugs for the treatment of cancer
- Medical nano-technology
- Dental

Oil & Gas

- Upgrade low octane petroleum naphta
- Petrochemical feedstock for manufacture of plastics

Sensors

- Sensors for measuring of oxygen levels in car engine control systems , detection of carbon monoxide in home safety devices etc.

Recycling & Scrap

- Recycled in auto catalysts, electrical & jewellery
- Recycled product re-used in same application

Fuel Cells

- For generating electric power

Investment

- A tangible asset
- Investor interest expected to continue rising
- Jewellery

Catalytic Convertors

- As part of auto components

OTHER INVESTMENT OPPORTUNITIES

Education and training

Property Development

Research and development

Logistics

Incubation/SME support

Finance

SEZ Operations and
Management

Health and recreation

OTHER INDUSTRIAL DEVELOPMENT ZONES

COEGA IDZ	Automotives, Chemicals, Renewable Energy, Textiles, Petrochemicals
DUBE TRADEPORT IDZ	Electronics, Aviation and aviation – linked logistics, Agro-processing
EAST LONDON IDZ	Aquaculture, Automotives, Renewable Energy, Agro-processing, ICT
RICHARDS BAY IDZ	Aluminium, Titanium, and Wood and pulp manufacturing
SALDANHA IDZ	Oil and Gas and related



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